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RUEHHK/AMCONSUL HONG KONG 6123
RUESLE/AMCONSUL SHANGHAI 8517
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S E C R E T SECTION 01 OF 03 TAIPEI 000943

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SUBJECT: DIRECTOR'S INTRODUCTORY CALL ON TAIWAN FOREIGN
MINISTER JAMES HUANG, MARCH 20, 2006

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Classified By: AIT Director Stephen M. Young. Reason(s):
1.4 (B/D)

11. (C) Summary. AIT Director Stephen Young used his introductory meeting with Foreign Minister James Huang on March 20 to preview some of the issues he intended to raise in greater detail in his meeting with President Chen Shui-bian the following day. The Director stressed that he looked forward to working with Huang and with President Chen to build a relationship built on open communication and mutual trust. He emphasized the importance that President Bush places on Taiwan's continued adherence to President Chen's &Four No's commitment. He noted that Washington has made clear to Beijing U.S. concern over the PRC military buildup, but Taiwan should not claim the PRC's moves justify Taiwan making changes to the status quo. Finally, the Director stressed the importance of Taiwan avoiding any actions which could make it an issue in the run-up to PRC President Hu's visit to Washington. FM Huang responded that he shares the same objectives and emphasized that every time he has been asked about Taiwan changing any one of its "Four No's" commitments)- whether on the name of the country or the use of a referendum to move toward independence -- he has publicly insisted that Taiwan has no such intent. The two agreed that Taiwan and the U.S. should engage in a dialogue over how Taiwan can best use its experience of democratization to strengthen its international situation. End Summary.

12. (C) Director Young made his first call in Taipei on Foreign Minister James Huang (Chih-fang) on March 20. The meeting, originally scheduled for 35 minutes, lasted over an hour. Huang was accompanied by MOFA North American Affairs Director-General Leo Lee (Cheng-ren). In a pre-meeting open session, a gaggle of some thirty print and broadcast reporters tossed out a staccato of questions on the challenges facing the Director in Taipei, particularly the National Unification Council (NUC) and National Unification Guidelines (NUG). The Director responded that the NUC issue "is in abeyance" and his top priority now is to exchange views with the Foreign Minister, the President, and other

Taiwan leaders in order to focus on the way forward and improving cooperation.

Communication, First and Foremost

13. (C) The Director expressed appreciation for the extremely hard work of FM Huang and Acting Director Keegan in dealing with the NUC/NUG issue, emphasized that he hopes the two sides can move past the NUC/NUG, and asked Huang for his assessment of where the two sides are now. Huang responded by handing the Director a piece of paper bearing a sixteen-character exhortation: "Closely communicate, reduce misunderstanding, strengthen mutual trust, create a Taiwan-U.S. win-win situation." In response to earlier mention of TECRO Washington Representative David Lee, the Director commented that Lee has had a difficult time in Washington in recent weeks and that he had undoubtedly conveyed some hard messages from Washington to Taipei. Perhaps some in Taipei believed Lee had fabricated some of these messages, the Director noted, but "I assure you he did not."

14. (C) The Director welcomed Huang's aphorism, stressing that mutual trust is the most important requirement between Taiwan and the U.S. He noted, however, that he had been struck while in Washington the past few months by the declined reservoir of good will there for Taiwan compared with 2001, when he departed Taipei as AIT Deputy Director. While there are a number of reasons for this, the Director explained, including post-9/11 developments and increasingly sophisticated PRC diplomacy, Taiwan's actions have played a part and Taiwan needs to do a better job of communicating with the U.S. and avoiding surprises. Huang responded that Taiwan "takes relations with the U.S. very seriously" and insisted that President Chen is aware of the problem and is working to strengthen bilateral relations. The Director

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responded that he got to know the President quite well during his last tenure at AIT, considered him a friend, and looked forward to meeting the President the following day.

15. (C) While some in Taipei might get frustrated with U.S. requirements, the Director told Huang, they should understand that the U.S. is also continually urging Beijing to deal with the elected authorities in Taipei, warning that if this does not happen cross-Strait tensions will inevitably increase. Huang responded that Taipei very much appreciates what the U.S. has done. Pointing to his own intense discussions with Acting Director Keegan over the past few weeks on NUC/NUG, Huang said this showed that Taiwan and the U.S. can work closely together to resolve, even if "not perfectly," an issue between them in order to prevent the PRC from driving a wedge between the two sides.

Please Don't Make Waves

16. (C) The Director told Huang that the U.S. hopes the Taiwan situation will remain quiet, particularly through the Hu Jintao visit to Washington in late April. Secretary Rice and Deputy Secretary Zoellick, he explained, are working to draw China into a more cooperative international behavior, which will also benefit cross-Strait stability and Taiwan security. Huang responded that Taiwan fully understood the sensitivities of the next few weeks and wanted to assure the U.S. that Taipei "will do its best to assure calm and quiet" during this period. Taiwan, he continued, appreciates U.S. efforts to encourage the PRC to become a responsible stakeholder in the international community.

Defense Procurement

17. (C) The U.S. also hopes, the Director continued, that

Taiwan will be more active in its own defense. He explained that this would be a major theme in his meetings with members of the Chen administration, the Legislative Yuan (LY), the military, and the Taiwan public. Adequate defense is not about particular weapons systems or making money, the Director stressed, but rather about dealing with the potential threat for cross-Strait conflict. Noting the anti-military procurement slogans at the opposition People First Party (PFP) rally the preceding day, March 19, Huang told the Director that he hoped Taiwan's opposition parties will recognize the importance of military procurement because, unfortunately, the military procurement issue had been turned into a domestic political struggle.

Maintaining the "Four No's"

18. (C) The Director told FM Huang that the U.S. still expects Taiwan to clarify that the NUC/NUG continue to exist. Beyond that, he said, the U.S. attaches great importance to President Chen's "Four No's" and expects him to honor this commitment. While the U.S. understands Taiwan's concern over growing PRC military capacity, the Director explained, noting that the U.S. has strongly and vocally opposed PRC military buildup, nevertheless the U.S. does not view this growing capacity as meaning that the PRC "intends to use" military force against Taiwan and, thus, that Taiwan is free to alter its commitments to the United States. Insisting that Taipei understands the U.S. view on the "Four No's," Huang told the Director that "I assure you we will honor the "Four No's" commitment." That assurance, he argued, was the main point of President Chen's February 27 statement. "When I testified in the LY last week," Huang continued, "I said that we are committed to maintaining the status quo." When legislators directly ask him whether the "Four No's" are essential to the status quo, Huang said, he responds "yes." When they privately ask him if cessation of the "Four No's" would break the status quo, Huang said, he always responds "of course." The problem, Huang explained, is that many legislators in the LY do not understand the difference between capacity and intent.

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More Creative Foreign Policy

19. (S/NOFORN) Pointing to Huang's aphorism on "creating a win-win situation," the Director told Huang that, as an old friend of Taiwan, he wants to advance the win-win approach to serve U.S. and Taiwan interests. For example, he said, the U.S. would like to work with Taiwan on export control and technology transfer, particularly involving Iran and North Korea. Huang responded that Taiwan is committed to doing all it can to cooperate with Washington on these issues and hopes the U.S. will help Taiwan on issues in certain areas of Africa, Latin America (especially Panama, Nicaragua, and Haiti), and Iran, the last regarding opening a Taiwan representative office in Tehran.

110. (C) The Director urged that Taiwan should do more to promote its democratic values and tell Taiwan's story to countries that can use Taiwan as a model for democratization and development. This could be an important component of a long-term strategy to enhance Taiwan's position in the world, he explained, a strategy that will get further if not tied to formal diplomatic relations. Taiwan is one of the most vibrant democracies in the world and an economic success story, and it has much to offer the world. While diplomatic partners are important, the Director argued, formal relations have not been part of Taiwan's ties with some of its most important partners, including South Korea, South Africa, Japan and the U.S. Huang replied that he is thinking along the same lines. If Taiwan focuses only on countries with which it has diplomatic relations, he acknowledged, this will put Taiwan in a difficult situation. However, if Taiwan

focuses on comprehensive relations with other nations, it can establish diplomatic strategic partnerships, provide Taiwan democratic experience to other countries, and gain access to energy sources for Taiwan. Huang told the Director that in June he plans to announce a program to develop comprehensive cooperative partnerships in the global village.

¶11. (C) When the Foreign Minister and the Director walked out of the meeting room, the phalanx of reporters was waiting with cameras and microphones trained on the two men. "Did you get a commitment that NUC and NUG still exist," shouted several. The Director and FM Huang responded that the meeting had focused on the way forward and future cooperation between Taiwan and the U.S.

YOUNG